

NOTICE OF FEDERAL INTEREST

LEGAL NOTICE: THE PROPERTY NAMED IN THIS DOCUMENT WAS ACQUIRED OR IMPROVED USING FEDERAL FUNDING. THEREFORE, FEDERAL LAW GOVERNS ITS USE, ENCUMBRANCE, AND/OR DISPOSITION. BEFORE ATTEMPTING TO PURCHASE, SELL, OCCUPY, TAKE A MORTGAGE INTEREST IN OR OTHERWISE ENCUMBER, OR FORECLOSE UPON THIS PROPERTY, YOU MUST NOTIFY THE RESPONSIBLE HHS OFFICIAL LISTED BELOW.

Federal law directs the Secretary of the United States Department of Health and Human Services to establish uniform procedures for Head Start agencies to purchase facilities to be used to carry out Head Start programs. *See* 42 U.S.C. § 9839(f). Real property acquired or improved with a Federal award is held in trust by the Head Start agency as trustee for the beneficiaries of the project or program under which the property was acquired or improved. *See* 45 C.F.R. §§ 75.323, 1303.46. Facilities acquired or renovated with grant funds may not be mortgaged, used as collateral, sold, or otherwise transferred to another party without the written permission of the responsible HHS official. *See* 45 C.F.R. § 1303.48(a).

On _____, the United States Department of Health and Human Services, Administration for Children and Families (“HHS/ACF”) awarded Grant Number _____ in the amount of \$ _____ to _____ (“Recipient”) for the purpose of operating a Head Start program in _____. These grant funds are being used in part for the purchase, continued purchase, improvement, and/or renovation of the property located at _____ and further described on Exhibit A, attached hereto (“Property”). Future grant awards may also be used for this purpose.

Through this grant award and any future grant awards made by HHS/ACF, HHS/ACF has acquired a beneficial ownership interest (“Federal Interest”) in the Property. HHS/ACF’s interest applies to the entire Property, including, but not limited to, the facility and land.

The Notice of Award for this grant includes conditions on the use of the Property and provides for a continuing Federal Interest in the Property. Specifically, the Property may not be: (1) used for any purpose inconsistent with the Head Start Act and applicable Head Start regulations; (2) mortgaged or used as collateral, sold or otherwise transferred to another party, without the responsible HHS/ACF official’s (or the responsible HHS/ACF official’s designee’s) written permission; (3) subordinated, diminished, nullified or released through the encumbrance of the property, transfer of the property to another party or any other action the Recipient takes without the responsible HHS/ACF official’s (or the responsible HHS/ACF official’s designee’s) written permission. *See*: 42 U.S.C. § 9831 et seq.; 45 C.F.R. Part 75; 45 C.F.R. Part 1303; 45 C.F.R. Part 1305; and other terms and conditions of the award, including the HHS Grants Policy Statement.

The Federal Interest in the Property and the conditions and restrictions that control the use, sale, lease, and disposition of the Property cannot be subordinated, diminished, nullified, or released through encumbrance of the Property, transfer of the Property to another party, or any other action taken by the Recipient without the Responsible HHS/ACF Official's written permission. In accordance with 45 C.F.R. § 75.318 and 45 C.F.R. § 1303.48(b), any party seeking to change the ownership or approved usage of the Property must provide advanced written notice requesting permission to make the proposed change to the Responsible HHS/ACF Official at the following address:

Office of Grants Management
Administration for Children and Families
U.S. Department of Health and Human Services

Grantee confirms that Recipient's governing body received a copy of this Notice of Federal Interest on _____.

The person(s) executing this Notice of Federal Interest on behalf of Recipient hereto represent and warrant that he or she has been duly authorized by Recipient to so execute this Notice of Federal Interest.

IN WITNESS WHEREOF, Recipient has executed this Notice of Federal Interest pursuant to authority duly given, as of _____.

[Signature page follows.]

By: _____

On this _____ day of _____, _____, before me, the undersigned, a Notary Public in and for said _____, personally appeared _____ of _____, personally known to me on the basis of satisfactory evidence to the individual, whose name is subscribed to the within instrument and acknowledged to me that he or she executed the same in he or she capacity, and that by he or she signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Seal

Notary Public

My Commission Expires: _____

OHS VERSION

EXHIBIT A

LEGAL PROPERTY DESCRIPTION